General Manager For Students

The General Manager for Students has *three objectives*: improved customer satisfaction among aid applicants and their families, reduced unit costs related to student channel operations, and improved satisfaction among employees who work to support student services. To succeed in those five-year objectives, the GM will undertake a variety of one-year projects. Some of the projects will primarily improve satisfaction ratings, some will primarily reduce costs. But most of them, such as getting more applicants to file on-line or reducing turnaround time for processing forbearance requests, move the organization forward toward all three objectives. The indicators of success for each individual project — beginning with the important work of maintaining at least the current level of service in core processes — are as follows:

Outside Channels
Not all of SFA's important changes fall within the responsibilities of the five top managers. For example, the Ombudsman, whose job it is to solve the toughest borrower problems, reports directly to the COO. The Director of Analysis, who also reports to the COO, will collect detailed customer and employee satisfaction data, track program performance, and provide information to inform the Department's policy makers. And the Director of Acquisition will take full advantage of the PBO's increased freedom to give our support contractors the same kind of performance goals we have.

Indicators of success in maintaining current performance levels:

- Process loan consolidations in 60 days or less. Currently averaging 50 days.
- Keep the default recovery rate at ten percent or higher. Rate is currently 10.5 percent.
- Call center (1-800-4FEDAID) answers 95 percent of phone calls.
- Reduce the lifetime default rate.
- Process Free Applications for Federal Student Aid (FAFSAs) with an average turnaround time of eight days or less. Currently averaging six days.
- Respond to internal audit reports within the timeframe specified.

Indicators of success in increasing aid awareness among potential post-secondary students and their families:

- Create a new, high-quality, SFA web site linked to the Access America web site and the Department's "Think College Early" web site. Pending OMB guidance, link to appropriate sites in the education community (by September 2000).
- Ensure that information is provided in accessible formats to meet Department of Education standards for special needs, such as Braille and TTY for the sight and hearing impaired (by September 2000).
- Partner with the Puerto Rican education community to focus on their needs, translate more of our publications into Spanish and post them on a Spanish version of our web page (by September 2000).
- Sponsor the first annual workshop to promote outreach partnership (by September 2000).
- Test all new aid awareness products and services with students and parents to make sure they are understandable.

Indicators of success in simplifying the application process:

- Redesign the 2001-2002 Free Application for Federal Student Aid (FAFSA) to make it demonstrably simpler and more user-friendly (by September 2000).
- Redesign the Direct Loan consolidation electronic application to make it demonstrably simpler and more user-friendly (by September 2000).
- Work with five states and college consortia so data from college applications can be electronically applied to fill out FAFSA on the Web (by September 2000).
- Expand FAFSA Correction on the Web capabilities (by September 2000).
- Provide mechanism for students to check the status of their FAFSAs and to notify students when processing is completed (by September 2000).
- Work with the IRS to participate in a pilot test of electronic matching of income data (by September 2000).
- Develop a Direct Consolidation Loan web site and allow electronic submission of Direct Loan consolidation forms (except for forms requiring actual signatures) via the Internet (by September 2000).
- Test all proposed changes to our application processing forms with focus groups of current and former students (by September 2000).

- Include all our forms in a "pdf" file format on our web site (by September 2000).

Indicators of success helping more students succeed in repaying their loans:

- Establish one toll-free number for "one call" student customer service. This will include TTY (by September 2000).
- Reduce turnaround time for processing Direct Loan forbearance and deferment requests. The current contract standard is within ten days from the date of receipt and the current baseline averages between five and seven days (by September 2000).

Indicators of success in doing more of our business electronically, and less on paper.

- Increase the number of FAFSAs filed electronically from three million to four million in FY2000 (by September 2000).
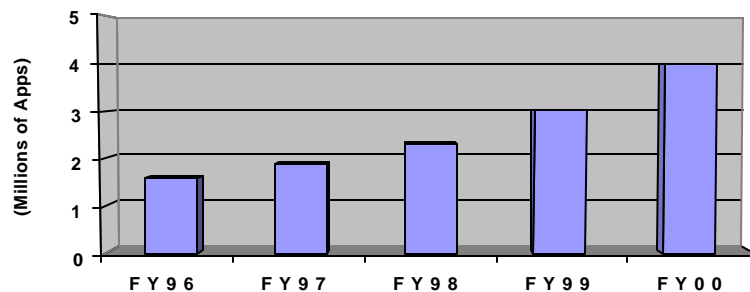
Electronically Filed FAFSA's to Four Million in FY2000

- Eliminate paper processing (with the exception of promissory notes) for students participating in our MENTOR Project in the state of New York (by March 2000).
- Partner with the National Student Loan Clearinghouse so we can eliminate mismatches in enrollment information between our own and our partner's processes (by August 2000).

Indicators of success in increasing collections by five percent (FY98 baseline was $1.9 billion):

- Try at least five new ways to make debt collection more effective, less costly, and more customer service oriented (by September 2000).
- Increase by five, the number of guaranty agency partnerships with SFA designed to improve portfolio management (by September 2000).

General Manager For Schools

The General Manager for Schools has *three objectives*: improved customer satisfaction and compliance among school administrators and financial aid advisors, reduced unit costs related to school operations, and improved satisfaction among employees who work to support school services. To succeed in those objectives, the GM will undertake a variety of projects this year. Some of the projects will primarily improve satisfaction ratings, some will primarily reduce costs. But most of them, such as resolving school audits within six months of receipt, move the organization forward toward all the objectives. The indicators of success for each individual project — beginning with the important work of maintaining at least the current level of service — are as follows:

Indicators of success in maintaining current levels of services:

- Keep the cohort default rate under ten percent. The current baseline is 8.8 percent
- Identify schools that fail to submit audits or that submit audit reports late and take appropriate action.
- Respond to internal audit reports within the timeframe specified.

Indicators of success in completing all critical transactions affecting schools' participation so that disruptions for students and schools are minimal:

- Process 95 percent of school recertifications within 120 days of receipt. The current benchmark is 42 percent.
- Complete 95 percent of reimbursement requests within 30 days.
- Resolve 90 percent of school audits within six months of receipt. The current baseline is 82 percent.
- Process Direct Loan origination and disbursement records within three days. The current baseline is three days.
- Process PELL funding requests within 24-36 hours. The current baseline is three days.

Indicators of success in improving the program eligibility process:

- Expand our current initiatives for new schools, including the creation of an eligibility checklist, preparing instructions on how to begin to draw funds, providing onsite technical assistance if requested, and extending an invitation to come to the regional office to meet the SFA staff (by September 2000).
- Expand our current initiatives to help non-compliant schools and schools on reimbursement prepare action plans to improve their management of Title IV programs (by September 2000).

Indicators of success in adapting our products and schedule to meet the differing needs of various school segments:

- Assign each school a contact point who will be a part of a Customer Service Team with the know-how and authority to solve problems with one call (by July 2000). The contact point for institutions will respond to an institution's inquiry within 48 hours.
- Post the schedule of SFA publications needed by schools on our web site, and get public feedback on it (by January 2000).
- Participate in the Partnership Forum (establish Partnership Council Teams with our school partners) to develop common business processes and interchange standards for Pell, Direct loans and FFELP. Ensure delivery of quality customer service and address other common concerns. (by July 2000).
- Allow schools to download all SFA software and materials through IFAP or the SFA web site (by April 2000).
- Involve schools in operational decisions to assess their impact, and test changes with schools before implementing them (by September 2000).

Indicators of success in simplifying financial transactions, aid origination and disbursements.

- Increase schools access to SFA databases within Privacy Act constraints and with appropriate security measures (by June 2000).
- Improve the Direct Loan origination, reconciliation and closeout process (by September 2000). Test and evaluate an alternative origination and payments system using a commercial servicer as part of the Access America for Students project.

Indicators of success in reengineering business processes:

- Electronically process official cohort rate appeals based on new data (by September 2000).
- Initiate a feasibility study to identify the technology solutions that can be used to fully automate the compliance audit and financial statement submission and review process (by September 2000).
- Work with schools to improve the quality of data in PEPS.

General Manager for Financial Partners

The General Manager for Financial Partners has *three objectives*: improved customer satisfaction and compliance among lenders and guaranty agencies, reduced unit costs related to financial partner operations, and improved satisfaction among employees who work to support financial partner services. To succeed in those objectives, the GM will undertake a variety of projects this year. Some of the projects will primarily improve satisfaction ratings, some will primarily reduce costs. But many of them, such as developing electronic payment and reporting systems, move the organization forward toward all the objectives. The indicators of success for each individual project — beginning with the important work of maintaining at least the current level of service — are as follows:

Indicators of success in maintaining current performance levels:

- Reduce the lifetime default rate.
- Identify guaranty agencies and lenders that submit audit reports late and take appropriate action.
- Respond to internal audit reports within the timeframe specified.

Indicator of success in resolving administrative issues involving program eligibility more quickly:

- Create a rapid response team to identify and to address serious administrative problems (by January 2000).
- Within the Financial Partners channel, develop a project team and management methodology consistent with SFA enterprise-wide tools.

Indicators of success in exchanging information electronically with our financial partners:

- Continue to work with guaranty agencies and lenders to maintain the quality of data in NSLDS.
- Assign each financial partner a contact point within a customer service team with the know-how and the authority to get questions answered and problems solved (by January 2000).

- Give guarantors access to all the information in the National Student Loan Data System, subject to Privacy Act considerations and appropriate security measures (by September 2000).
- Involve our partners in the design of everything that affects them (by April 2000).
- Join current guarantor and lender groups or establish Partnership Council Teams with guaranty agencies and lenders to develop guiding principles of quality service, training and technical assistance materials, performance data for benchmarking purposes, develop common standards and operating rules to simplify transactions, and to address issues to improve service to students (by June 2000).
- Develop electronic payment/reporting systems in cooperation with guarantors (by September 2000).
- Continuously ask our financial partners two questions: "Are we doing a better job as your partner?" and "What can we do next year to improve even more?"

Indicators of success in cutting the net losses:

- Increase the default recovery rate for loans in default held by guaranty agencies (by September 2000).
- Enter into up to six Voluntary Flexible Agreements with guaranty agencies in FY 2000, as called for in legislation, to experiment with improved ways to deliver aid, improve program integrity, and realize cost efficiencies (by June 2000).
- Reduce fraudulent death and disability cases below 1998 baseline (by December 1999).
- Within the Financial Partners channel, develop a project team and management methodology consistent with SFA enterprise-wide tools.

Chief Information Officer

The Chief Information Officer has *three objectives*: improved customer and employee satisfaction and reduced unit costs. To succeed in those objectives and to integrate our legacy systems, the CIO will concentrate on projects included in our System Modernization Blueprint. Each project within the Blueprint will go to our Investment Review Board, as required by the Clinger-Cohen technology management legislation, so they are assured of producing both service improvements and savings. The indicators of success for each individual project — beginning with the important work of maintaining current services through Y2K — are as follows:

Indicators of success in transitioning into the Year 2000 with minimum disruption of service to students, schools, or financial partners:

- Provide outreach services to the school community in Year 2000 preparedness, which will result in a Year 2000 school readiness measure in excess of 70 percent as reflected in a Department focused survey (by October 1999).

- Provide all Student Aid financial services without invoking contingency plans as a result of a major delivery system failure (by January 2000).

- Manage the transition of all systems into the millennium in accordance with OCIO Day One plans with all events occurring as planned (by January 2000).

- Manage the implementation of new systems or changes to systems from November 1999 to March 2000 with minimum risk and resulting in no system failures (by March 2000).

Indicator of success in completing the first year schedule of the System Modernization Blueprint Sequencing Plan.

- Achieve 90 percent of the annual major modernization milestones that have been approved by the Information Technology Investment Review Board (by September 2000).

Indicators of success in maintaining the data system and communication infrastructure service levels, while reducing the operating cost by ten percent through consolidation of operations:

- Reduce overall volume-adjusted operating costs for systems migrated to the consolidated data center by ten percent (by September 2000)**.**
- Work with schools to improve the quality of data in NSLDS (by September 2000).
- Respond to internal audit reports within the timeframe specified.

Indicators of success in maintaining and refining our System Modernization Blueprint, which addresses two of the PBO's statutory responsibilities:

- Update the Modernization Blueprint by including Level Three and Four details, as developed, for each project undertaken. Publish updated blueprint semi-annually.

Chief Financial Officer

The Chief Financial Officer shares the objectives of improved customer and employee satisfaction. But the CFO's primary responsibilities involve the objective of reducing unit cost, focusing on the development of a financial management system that will permit unit cost tracking and control in every segment of the SFA operation. The indicators of success of those projects, starting with the important task of preparing clean financial statements, are as follows:

Indicators of success in reducing the number of internal control and audit issues reported:

- Receive an unqualified opinion on the FY99 financial statement audit (by March 2000).

- Respond to internal audit reports within the timeframe specified.

Indicator of success in establishing an interim cost accounting methodology to measure unit costs for SFA major business processes, and to provide managers with costing information for important processes within their organizations:

- Interim Activity Based Cost accounting system is operational (by April 2000).

Indicator of success in completing the year-one schedule for development of a robust, integrated SFA financial management system that will include full subsidiary ledger structures supporting the PBO requirements as well as providing appropriate information to the Department's financial management system.

- Complete Phases I and II of the Financial Management System (to include the design and proof of concept).